

FISCAL IMPACT STATEMENT ON BILL NO. **S763**

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TO:	The Honorable Hugh Leatherman, Chairman, Senate Finance Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Allan Kincaid		
DATE:	February 5, 2008	SBD:	2008039

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AUTHOR:	Senator McConnell	PRIMARY CODE CITE:	9-8-50
SUBJECT:	Retirement System for Judges/Solicitors/Public Defenders		

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ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

A Cost to the General Fund (See Below)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

\$0 (No additional expenditures or savings are expected)

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**BILL SUMMARY:**

The proposed Bill amends Section 9-8-50, as amended, of the Code of Laws of South Carolina, 1976, relating to service credit in the Retirement System for Judges and Solicitors (JSRS), so as to allow a member to establish service credit for service after 1990 on a state board, committee or commission authorized by law to hear and determine contested cases. The payment for such service would be equal to the current member contribution of ten percent of compensation rather than the current rate for non-qualified service of 35% of compensation.

**EXPLANATION OF IMPACT:**

A review of this Bill by the Retirement System and its actuary indicates there would be a cost to the System. Since the utilization rate is unknown, a precise fiscal impact cannot be determined; however, if each JSRS were assumed to purchase one year of this specific service, it would result in an increase of \$4.1 million to the System's Unfunded Accrued Liability (UAL). Funding would require an additional 1.4% of payroll which equates to an increase of approximately \$259,000 to the General Fund of the State to remain within the 30 year amortization period. This estimate is calculated based on an increase in the employer contribution rate for total annual JSRS salaries of approximately \$18.5 million for judges, circuit solicitors and public defenders.

**LOCAL GOVERNMENT IMPACT:**

None.

**SPECIAL NOTES:**

None.

Approved by:



Harry Bell  
Assistant Director, Office of State Budget